

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

PETITION OF WARWICK VALLEY)	<u>TELECOMMUNICATIONS</u>
TELEPHONE COMPANY FOR AUTHORITY TO)	
ISSUE \$21,000,000 OF UNSECURED)	SECOND MODIFIED ORDER OF
PROMISSORY NOTE)	APPROVAL
)	
)	DOCKET NO: TF01030169

(SERVICE LIST ATTACHED)

BY THE BOARD:

By Order of the Board of Public Utilities (Board), dated August 1, 2001, in Docket No. TF01030169, as modified by Order dated October 3, 2002, Warwick Valley Telephone Company (Petitioner), was authorized to issue on or before December 31, 2002 long-term debt (Unsecured Promissory Note) in the amount of Eighteen Million Four Hundred Seventy Five Thousand Dollars (\$18,475,000), as modified under the ten (10) year revolving credit agreement with CoBank, subject to certain provisions set forth in said Order.

Petitioner, by letter dated October 18, 2002, requests the Board to approve, to the extent the Board deems it necessary, the granting of a security interest in patronage certificates of CoBank, to be purchased by Petitioner as part of the loan transaction. Petitioner also requests a further extension of time to consummate the loan transaction to March 31, 2003 to allow sufficient time for receipt of regulatory approvals outside New Jersey.

The Board, after investigation, HEREBY FINDS that: (a) the terms of the CoBank loan that require a borrower to purchase on or before closing an initial \$1,000 of non-voting patronage certificate and the granting of security interest on the patronage certificate are considered in the ordinary course of doing business with CoBank and accordingly, approval under N.J.S.A. 48:3-7 is not required; and (b) the extension of time from December 31, 2002 to March 31, 2003, within which to exercise the authority granted to consummate the loan transaction is necessary and proper.

The Board, HEREBY AUTHORIZES Warwick Valley Telephone Company to exercise the authority granted in the initial Order for the purpose of issuing long-term debt (Unsecured Promissory Note) subject to the provisions of the initial Order except as modified herein.

The authority granted in this Supplemental Order shall become null and void and of no effect with respect to any portion which is not exercised prior to March 31, 2003.

DATED: December 5, 2002

BOARD OF PUBLIC UTILITIES
BY:

[SIGNED]
JEANNE M. FOX
PRESIDENT

[SIGNED]
FREDERICK F. BUTLER
COMMISSIONER

[SIGNED]
CAROL J. MURPHY
COMMISSIONER

[SIGNED]
CONNIE O. HUGHES
COMMISSIONER

[SIGNED]
JACK ALTER
COMMISSIONER

ATTEST:

[SIGNED]
KRISTI IZZO

BOARD SECRETARY